

## Message Text

CONFIDENTIAL

PAGE 01 STATE 303689

65

ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-07 NRC-05 NSAE-00 TRSE-00

EUR-12 ERDA-05 ISO-00 MC-02 ACDA-05 /037 R

DRAFTED BY COM/OEA JCNELSON/EH

APPROVED BY EB/EWT OSANDERSON

OEA/PPD/EPWALINSKY

EUR/EE - RCHRISTENSEN

----- 054316

R 292047Z DEC 75

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE

INFO AMCONSUL ZAGREB

C O N F I D E N T I A L STATE 303689

EXCON

E.O. 11652: XGDS-1

TAGS: ESTC, YO

SUBJECT: EXPORT CONTROL PROCEDURES

REFERENCES: A. BELGRADE 1547

B. STATE 227206

1) USG APPRECIATES CANDOR WITH WHICH YUGOSLAV CHAMBER OF ECONOMY, IN PARTICULAR DIMOV, HAS APPROACHED THE PROBLEMS OF EXPORT CONTROL IN THE YEAR THAT HAS PASSED SINCE U. S. TEAM OPENED DISCUSSIONS WITH GOY CONCERNING OUR RESPECTIVE AND MUTUAL PROBLEMS.

2) THERE ARE SOME ASPECTS OF THE SEVERAL YUGOSLAV REPORTS EMBASSY HAS FORWARDED ON WHICH WE WOULD LIKE FURTHER INFORMATION. AGENCIES HERE VIEW THESE MATTERS SERIOUSLY AND CANNOT DROP CONSIDERATION ON BASIS INFORMATION IN HAND.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 303689

FOR EXAMPLE, COMMERCE HAS INFORMATION ON ANOTHER REPORTED

1974 DIVERSION (STATE'S A-4353). SOME UNLIKELY END-USSES  
HAVE BEEN RECEIVED IN RECENT PRE-LICENSING CHECKS. WE FEEL  
LOOSE ENDS MUST BE TIED UP AND WISH TO EXPLORE FURTHER  
SOME PUZZLING ASPECTS.

3) THESE FOLLOW:

A. WHY DID GOY NOT INFORM USG WHEN VIOLATIONS OUR  
EXPORT CONTROLS DISCOVERED? CAN EMBASSY CON-  
FIRM FROM ITS OWN RESOURCES THE PROSECUTIONS  
AND PENALTIES DIMOV HAS REPORTED? WHEN  
PRECISELY DID THESE TAKE PLACE, E.G. WHEN WAS  
IRET DENIED IMPORT/EXPORT PRIVILEGES? COMMERCE  
REQUESTED POSTSHIPMENT CHECKS ON VIDEO TAPE  
RECORDERS, OSCILLOSCOPES AND BONDERS. EMBASSY/  
CON GEN WERE PUT OFF BY THE PRINCIPALS. THE  
CHAMBER NEVER ANSWERED QUESTIONS ABOUT DIS-  
POSITION OF BONDERS.

B. REFERRING TO CASES IN REFTEL A: CASE ONE -  
CORE TEST SYSTEMS. CAN DIMOV IDENTIFY THE  
U. S. ELECTRONICS MANUFACTURER WHOSE ENGINEERS  
WORKED OUT ALLEGED DEAL OR FURNISH THE NAMES OF  
THE ENGINEERS?

C. CASE TWO - OSCILLOSCOPES - CAN WE ASSUME ALL  
PROPER LEVELS OF STAFF AT JOZEF STEFAN ARE NOW  
AWARE OF U.S. EXCON REGULATIONS?

D. CASE THREE - BONDERS AND SCRIBERS. WHO ARE THE  
U.S. ENGINEERS? FROM REFTEL A IT APPEARS  
MIHAILO PUPIN INSTITUTE PLAYED ONLY MINOR ROLE,  
BUT THIS NEEDS CLARIFICATION, TOO. WAS THIS  
TRANSACTION PART OF YUGO-SOVIET PROTOCOL  
FOR COOPERATION IN SUPPLYING SEMICONDUCTOR  
MANUFACTURING EQUIPMENT? CHAMBER NEVER DID  
RESPOND THIS QUESTION WHICH HEADED UP "EVIDENCE"  
SUPPLIED BY 1974 EXCON TEAM.

E. CASES FOUR AND FIVE - VIDEO TAPE RECORDERS AND  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 303689

CORE PRESSES. COMMERCE WILL ASK U.S. FIRMS  
PRODUCE SHIPPING DOCUMENTS (IF STILL AVAILABLE  
AND LEGALLY PERMISSIBLE) AND CONFIRM NATURE OF  
MARKINGS.

F. ADDITIONAL CASE. CAN CHAMBER GIVE US LIST OF  
EQUIPMENT THAT WAS DIVERTED? ANY CLUE TO U.S.  
FRIMS REPORTED AS INVOLVED? ELEKTRONSKA

INDUSTRIJA'S BELGRADE OFFICE WAS VISITED BY TEAM. DIRECTOR GENERAL OF AVALA PLANT (JOVAN) WISHES U.S. ASSISTANCE IN PRODUCTION OF HYBRID AND MOS INTEGRATED CIRCUITS, NOT ONLY TECHNOLOGY BUT SOPHISTICATED EQUIPMENT. IF TRADE OPPORTUNITY REQUEST IS RECEIVED BY EMBASSY, OR OTHER DEVELOPMENTS OCCUR, POSTS SHOULD CALL TO ATTENTION EXCON AUTHORITIES IN COMMERCE AS WELL AS OIM.

G. IS THERE ANY POSSIBILITY CHAMBER COULD SHARE WITH USG THE SHIPPING AND CUSTOMS DOCUMENTS DIMOV'S INVESTIGATIONS TURNED UP ON ABOVE CASES FOR USE HERE IN SEEKING OUT U.S. PARTIES TO DIVERSIONS, AND DETERMINING WHETHER LEGAL CASE FOR ACTIONS AGAINST THEM IS POSSIBLE? WE DO NOT REPEAT NOT INTEND TAKING ANY STEPS WITHOUT MOST CAREFUL CONSIDERATION ALL ANGLES BUT WE DO HAVE AN OBLIGATION TO DEVELOP ALL INFORMATION WE CAN IN ORDER TO REACH A USG POSITION ON PROPER ACTION ON THE ABOVE CASES.

4) FYI INTERAGENCY GROUP HAS AGREED THAT CURRENT AND PENDING APPLICATIONS FOR GUILTY PARTIES AND TWO INSTITUTES MENTIONED ABOVE WILL NOT BE AUTOMATICALLY DENIED NOR UNDULY DELAYED BECAUSE OF REFERENCED PROBLEM. HOWEVER, GREAT CARE WILL BE TAKEN, ON BASE BY CASE BASIS, IN LICENSING TO THEM, INCLUDING PRE-LICENSING CHECKS. SOME CASES INVOLVING GUILTY OR TAINTED PARTIES HAVE NOT BEEN MOVED BECAUSE OF RESIDUAL DOUBTS AS TO THEIR RELIABILITY.  
WE TAKE SERIOUS VIEW TOWARD THESE PARTIES, EXPECIALLY SINCE THERE HAS NOT BEEN ENOUGH  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 303689

TIME SINCE TEAM VISIT FOR CONCLUSION OF AD HOC POSTSHIPMENT CHECKS TO THEM OR FOR RECEIPT OF RESULTS OF DIMOV'S AFTER-THE-FACT CHECKS OF EXPORTS IN THE PAST YEAR END FYI.

5) IN THIS CONNECTION, WOULD WELCOME EMBASSY/CON GEN VIEWS ON BEST MEANS OF REMINDING OR RE-EDUCATING YUGOSLAV ENTITIES, PARTICULARLY THOSE OUTSIDE OF BELGRADE AND ZAGREB CITIES, ABOUT EXPORT CONTROL REGULATIONS. COULD YUGOSLAV CHAMBER DO THIS BY WAY OF REGIONAL CHAMBERS? COULD POSTS DO THIS AT VARIOUS TRADE FAIRS AND EXHIBITIONS, PARTICULARLY THOSE OF VERY SENSITIVE COMMODITIES SUCH AS COMPUTERS, OR IN SOME OTHER WAY? A GREAT MANY APPLICATIONS CONCERN LJUBLJANA, BUT THERE ARE SIGNIFICANT TRANSACTIONS FOR FIRMS IN BANJA LUKA, NIS, RIJEKA, SARAJEVO AND SPLIT. ROBINSON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, STRATEGIC TRADE CONTROLS, END USE CHECKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE303689  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OEA JCNELSON/EH  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Film Number:** D750449-0297  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751210/aaaaaihd.tel  
**Line Count:** 168  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN COME  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 BELGRADE 1547  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 May 2003 by GarlanWA>; APPROVED <29 MAY 2003 by GarlanWA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT CONTROL PROCEDURES  
**TAGS:** ESTC, YO, US  
**To:** BELGRADE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006